

Transportation Subsidies and Food Insecurity in Remote Communities: Evidence from the Food Mail Program and Nutrition North Canada

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Food insecurity is prevalent throughout remote communities in northern Canada, especially among Indigenous families. Availability and costs are important factors; agricultural activity is limited and shipping from southern Canada is expensive. To address these issues, the federal government subsidizes the transportation of necessities to remote northern communities, initially through the Food Mail Program (FMP), and as of April 2011, through Nutrition North Canada (NNC). The latter has been criticized on grounds of eligibility, subsidy rates, and accountability. Yet, there is limited evidence on how this policy change affected food insecurity. We fill this gap by using the Canadian Community Health Survey (2007-2014) and OLS difference-in-differences models, which compare food insecurity prevalence and severity in communities that experienced the policy shift with other remote communities in the same regions, both before and after the change. Further, we test for heterogeneity between Indigenous and non-Indigenous families. On average, the policy change is associated with an 8 percent increase in the prevalence of food insecurity for affected northern families, and given this measure of insecurity, Indigenous families were not differently impacted. When examining severe food insecurity, while non-Indigenous families were not impacted, there was a 7 percent increase among Indigenous families, which rises to 12 percent for those families with young children (age 0-5). We conclude that changing from the FMP to NNC increased the probability of food insecurity in northern Canada, with a particularly adverse impact on severity among economically vulnerable households (plausibly given their initial higher rates of food insecurity).